

## LEASE AGREEMENT

This lease dated the 1st day of December, 2004, between **BOBBY W. PETROWSKI and wife, TERESA PETROWSKI** of 5076 Williams Road, Byhalia, Mississippi 38611, party of the first part, hereinafter referred to as "Lessor", and **CLARENCE L. GRIMES and wife, BETTE M. GRIMES**, of 5110 Williams Road, Byhalia, Mississippi 38611, party of the second part hereinafter referred to as "Lessee",

### WITNESSETH:

1. **Consideration.** That each of the aforesaid parties acknowledge the receipt of a valuable consideration from the other and that they and each of them act herein in further consideration of the engagements of the other herein stated.

2. **Premises.** That Lessor has and does hereby grant, demise and lease unto said Lessee the following described premises in the County of DeSoto, State of Mississippi, to-wit:

**The southern 170 feet of Lots 12 and 13, Smokey Hollow Subdivision, as per amended survey of Metts Surveying, a copy of same being attached hereto and made a part hereof as if fully copied herein. Property known as 5110 Williams Road, Byhalia, Mississippi 38611.**

for residential use only, and upon the following **TERMS and CONDITIONS:**

3. **Term.** To have and to hold the above described premises unto the Lessee for the period of the natural lives of the Lessees and commencing on the 1st day of December, 2004.

4. **Rental.** The parties hereto acknowledge that in consideration of the remainder interest held by the Lessors in the improvements being constructed upon the premises by Lessees, no rental amounts will be due from Lessees during the term of this lease agreement.

5. **Quiet Possession.** The Lessor hereby covenants that if Lessee shall keep and perform all of the covenants of this Lease on the part of the Lessee to be performed, Lessor will guarantee to Lessee the quiet, peaceful and uninterrupted possession of said premises.

6. **Lawful and Moral Uses.** The Lessee hereby further covenants that the premises and all buildings and improvements thereon shall, during the term of this lease, be used only and exclusively for lawful and moral purposes, and no part of the premises or improvements thereon shall be used in any manner whatsoever for any purpose in violation of the laws of the United States, the State of Mississippi, and the ordinances and laws of the city and county where situated that are enforced.

7. **Protection From Violations.** Lessee agrees to save and hold the Lessor harmless from violations of the laws of the United States, of the State of Mississippi and the ordinances and laws of the county where situated.

8. **Waste.** Lessee agrees not to commit or permit to be committed any waste whatsoever.

9. **Nuisances.** Lessee agrees not to create or allow any nuisance to exist on said premises, and to abate any nuisance that may arise promptly and free of expense to Lessor.

10. **Invalidation of Insurance.** Lessee agrees not to suffer anything to be or remain upon or about the premises which will invalidate any policy of insurance which Lessor or Lessee may now or hereinafter have upon said premises. Further, Lessee agrees to maintain hazard insurance on the building(s) and Lessee agrees to maintain liability and contents insurance, and Lessee further

agrees to furnish a copy of said insurance coverage to Lessor as a condition of this lease.

**11. Increased Premiums.** Lessee agrees not to suffer anything to be or remain upon or about the premises nor carry on nor permit upon the premises any trade or occupation or suffer to be done anything which may render an increased or extra premium payable for the insurance of the premises against fire, unless consented to in writing by the Lessor and if so consented to, the Lessee shall pay such increased or extra premium within ten (10) days after the Lessee shall have been advised of the amount thereof.

**12. Damages, Accidents, Etc.** Lessee agrees that Lessor shall not be liable, responsible or in anyway accountable for any loss, injury, death or damage to persons or property, from any cause or causes whatsoever, except that caused by the negligence of Lessor, which at any time may be suffered or sustained by Lessee, or by any person whosoever arising out of any such loss, injury, death or damage, except that caused by the negligence of Lessor, however occurring.

**13. Right of Entry, Etc.** The Lessor reserves the right during the term of this lease, to enter said premises at reasonable hours for the purpose of inspecting the premises and to make such repairs as Lessor may deem necessary for the protection and preservation of said building and premises; but Lessor is not bound to make any repairs whatever, nor be held liable for any damage in consequence of leaks, or of the stoppage of water, sewer, gas or drain pipes by reason of freezing or any other cause or obstructions (subject to proper operation of heating system), nor for any other defects about the building, all repairs and maintenance being the responsibility of Lessee.

**14. Subletting.** This Lessee shall not assign or sublet the premises nor any part thereof without the written consent of Lessor.

**15. Destruction by Fire, Etc.** Should the building upon the demised premises be totally destroyed by fire or other cause, or so damaged that rebuilding or repairs cannot be completed within thirty (30) days from date of fire, or other cause of damage, this lease shall terminate and the Lessee shall be allowed an abatement of rent from the date of such damage or destruction. However, if the damage is such that the rebuilding or repairs can be completed within thirty (30) days, the Lessor covenants and agrees that the terms of this lease shall not be otherwise affected.

**16. Waiver of Breach.** It is hereby covenanted and agreed that no waiver of a breach of any of the covenants of this lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

**17. Attorney's Fees.** It is hereby covenanted and agreed between the parties the if either party hereto must hire an attorney and resort to litigation to enforce any provision of this lease, then the prevailing party in the action shall be entitled to and awarded reasonable attorney's fees and all court costs arising out of that litigation.

**18. Covenants Run to Heirs, Etc.** It is hereby covenanted and agreed between the parties hereto that all covenants, conditions, agreements and undertakings in this Lease contained shall extend to and be binding on the respective heirs, executors, administrators, successors and assigns of the expressed; also, that the terms "Lessor" and "Lessee" shall be construed in the singular or plural number as if they respectfully represent one or more than one person.

**19. Repairs and Maintenance.** Lessee agrees to keep the leased premises in good repair, and all repairs to be made by Lessee at Lessee's expense. Lessee further agrees to keep and maintain all exterior areas mowed, trimmed and free of trash and debris.

**20. Time of the Essence.** Time is of the essence of this lease and all of its provisions.

**21. Contents.** Lessor is not in any way responsible for the maintenance or insurance of the

premises and its contents.

**IN TESTIMONY WHEREOF**, the above named Lessor and the above named Lessee have executed this and one other original instrument of identical tenor and date, on the day and year hereinabove stated.

  
BOBBY W. PETROWSKI, LESSOR

  
TERESA PETROWSKI, LESSOR

  
CLARENCE L. GRIMES, LESSEE

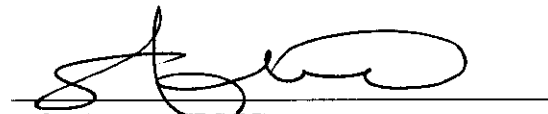
  
BETTE M. GRIMES, LESSEE

STATE OF MISSISSIPPI  
COUNTY OF DESOTO

Personally appeared before me, the undersigned authority in and for the said county and state, on this 5th day of January, 2005, within my jurisdiction, the within named **BOBBY W. PETROWSKI and wife, TERESA PETROWSKI**, who acknowledged that they executed the above and foregoing instrument.

My Commission Expires:  
10/24/07

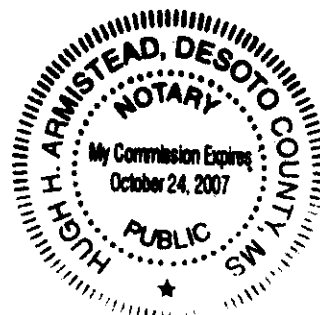


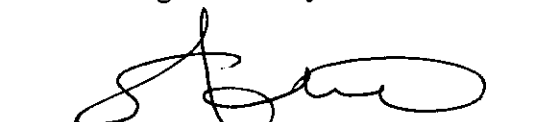
  
NOTARY PUBLIC

STATE OF MISSISSIPPI  
COUNTY OF DESOTO

Personally appeared before me, the undersigned authority in and for the State and County aforesaid, on this 5th day of January, 2005, within my jurisdiction, the within named **CLARENCE L. GRIMES and wife, BETTE M. GRIMES**, who acknowledged that they executed the above and foregoing Lease.

My Commission Expires:  
10/24/07



  
NOTARY PUBLIC

prepared by:  
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